

Risk management and Insurance mechanisms for Uniswap hooks











About

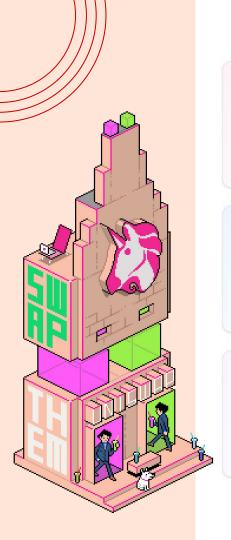
An insurance system for Uniswap V4 hooks that combines UNI staking governance, AVS-powered monitoring, and zero-knowledge proofs for victim compensation by Brevis.



Motivation

- Support hook innovation while protecting users
- Create decentralized security validation through UNI staking/
- Ensure fair and verifiable compensation for affected users





Triple-Layer Protection System





UNI Staking

Decentralized risk assessment through UNI token staking provides economic security and community governance



AVS Monitoring

Autonomous monitoring system continuously evaluates hook behavior for real-time risk detection



Brevis ZK Proof

Zero-knowledge proof system ensures secure and verifiable victim compensation claims

A comprehensive security framework for Uniswap V4 hooks

Hook Registration Process

Securing Your Hook with Insurance Protection



1. Submit Hook

Developer deploys hook and registers with HookRegistry

Example: LimitOrder.sol



2. Insurance Deposit

Provide USDC deposit to InsuranceVault

Minimum: 10,000 USDC



3. UNI Staking

Community stakes UNI tokens to validate hook

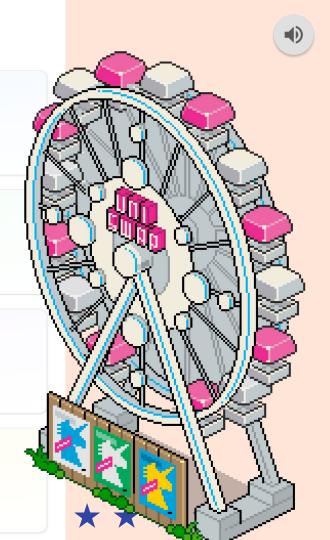
Minimum per staker: 1,000 UNI



4. Hook Activation

Hook becomes active with full protection

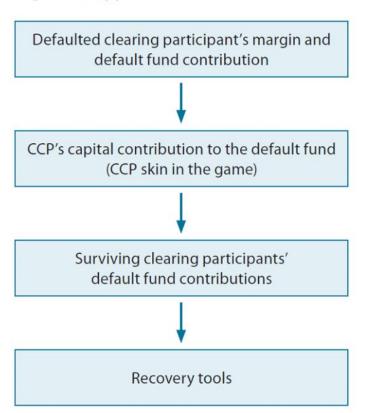
Monitored by AVS + Community



How should we design optimal resolution processes?



Figure 1: Typical CCP Default Waterfall



In my previous role, I was involved in designing liquidation processes for securities companies in Clearing Corporaion

Want to implement similar resolution mechanisms in the crypto space.





Protection System in Action

Example: Protecting Users from a Compromised Hook





1. Incident Detection

AVS detects suspicious activity in LimitOrder hook:

- · Unusual order manipulation detected
- · Risk score increases to 80/100



2. Automatic Protection

System responds immediately:

- · Hook is automatically paused
- · Further interactions blocked



3. Governance Response

UNI stakers take action:

- · Insolvency proposal created
- · Community votes to process compensation



4. Victim Verification

Brevis processes claims:

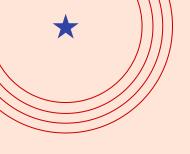
- · Users submit proof of loss
- · ZK proofs verify legitimate claims



5. Compensation

Verified victims receive compensation:

- · USDC from insurance pool distributed
- Individual claims processed securely

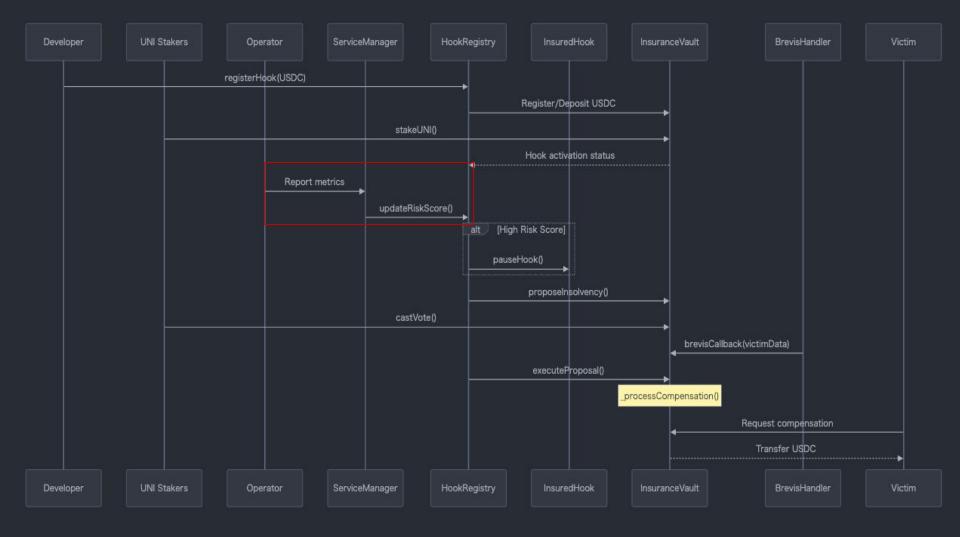


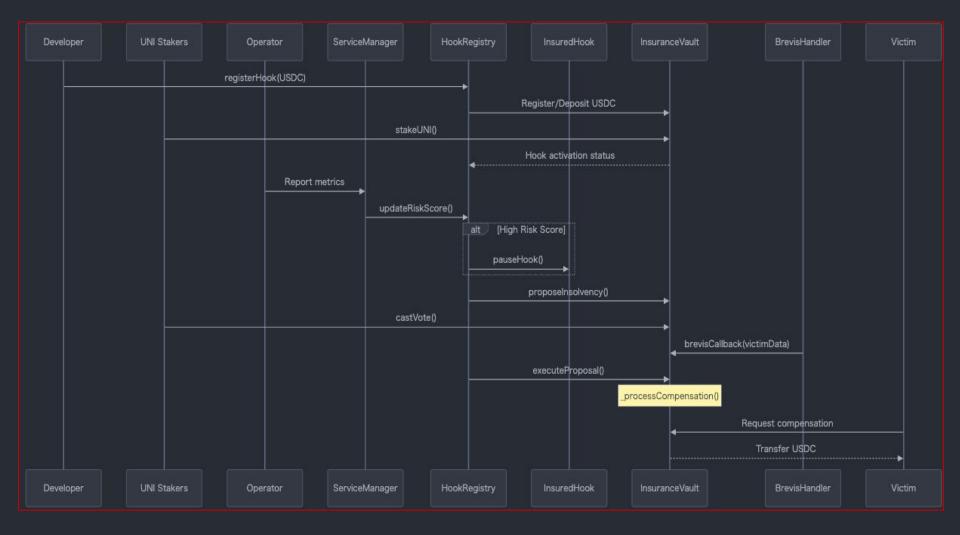
Demo

Key scenarios we'll demonstrate:

- Risk monitoring with AVS
- Complete hook lifecycle testing
- 1. Regist Hook
- 2. Uni token stake
- 3. Victim compensation flow with Uni governance and Brevis integration







UniGuard is Secure Foundation for Hook Innovation

Combining UNI governance, AVS monitoring, and Brevis ZK proofs

=>Community driven security validation

This is Uni (:=Uni holder + AVS + Brevis)
Guard

